

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**NOVEMBER 13, 2003**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Attending the meeting from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel, Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Chuck T. Stumpf, Deputy Director, Administration Division; Kirk J. Schreiber, Senior Bank Analyst; Gina R. Williams, Senior Bank Analyst; Mark K. Powell, Supervisor, Credit Union Division, Mark Tarpey, Division Supervisor and Gloria Thompson, Credit Union Division. Also attending the meeting was Michael R. Brown, Vice President of Executive Media.

**I. EXECUTIVE SESSION:**

Mark Powell opened the session that was authorized by IC 5-14-1.5-6.1 (b)(6) for purposes of discussing the review of the continuing report of examination of Jet Credit Union, Indianapolis, Marion County, Indiana, which is confidential as provided in IC 28-1-2-30.

**II. PUBLIC SESSION:**

A.) In Attendance: David A. Bochnowski, Chairman, Tony Zaleski, David Baer and Michael Davis. Loretta Burd, Vice Chairman and Briget Polichene were absent.

B.) Date of next meeting: December 11, 2003 @ 9:00 a.m. at the office of The Department of Financial Institutions, 30 South Meridian Street, Indianapolis, Indiana.

C.) A motion was made for approval of the minutes of the meeting held August 14, 2003, by Mr. Zaleski and was seconded by Mr. Davis. The minutes were unanimously approved.

D.) No action was taken pursuant to the executive session, as the information was advisory only.

**E.) DIVISION OF BANK AND TRUST COMPANIES:**

**1. Community Bank of Southern Indiana, New Albany, Floyd County, Indiana**

Ms. Gina Williams, Senior Bank Analyst, presented the application. Ms. Williams informed the Members that Community Bank of Southern Indiana, New Albany, Indiana ("Community Bank") filed an application to merge with Community Bank of Kentucky, Inc., ("Kentucky Bank") a sister bank headquartered in Bardstown, Kentucky. The two banks entered into an Agreement of Merger on September 2, 2003.

Community Bank will survive the merger. As of June 30, 2003, Community Bank had total assets of \$443 million. The Kentucky Bank reported total asset of \$65 million as of June 30, 2003. The main office of Kentucky Bank as well as all of its branches will become branches of Community Bank at the effective time of the merger.

Both banks are wholly owned subsidiaries of Community Bank Shares of Indiana, Inc., which is also headquartered in New Albany, Indiana.

As of June 30, 2003, Community Bank's return on average assets was .89% while Kentucky's Bank was .72%. On a pro forma basis as of June 30, 2003, the resulting bank will have total assets of \$508 million and a Tier 1 capital to total assets ratio of 8.3%.

Indiana Code 28-1-11-5 restricts a bank's investment in land and buildings to 50% of sound capital. Based on the pro forma information submitted in the application, the resulting bank's investment in land and buildings after the merger will be approximately 32%.

Kevin Cecil, who is President and CEO of Community Bank, will retain this position after the merger. The board of directors of the Kentucky Bank will continue to serve as an advisory board.

Both institutions received Satisfactory CRA ratings at their most recent Community Reinvestment Act examinations.

The Federal Deposit Insurance Corporation approved the merger on October 20, 2003.

Ms. Williams informed the Members that the staff of the Department concluded:

- 1. Both institutions are operated in a safe, sound, and prudent manner.**
- 2. The financial condition of either of the institutions will not jeopardize the financial stability of the other.**
- 3. The resulting institution will not have inadequate capital, unsatisfactory management, or poor earnings prospects.**
- 4. The management and other principals are qualified by character and financial responsibility to control and operate the resulting institution in a proper and legal manner.**
- 5. The public convenience and advantage will continue to be served by the resulting institution.**

The staff therefore recommended approval of Community Bank of Kentucky, Inc. with and into Community Bank of Southern Indiana. A motion for approval of the application was made by Mr. Baer and seconded by Mr. Davis. The application was unanimously approved.

**F. CONSUMER CREDIT DIVISION:**

- 1.)** Mr. Tarpey, Division Supervisor of the Nondepository Division, informed the Members that nine lawsuits have been filed in seven different counties against various unlicensed businesses that are making small loans in violation of the small loan act. These loans are

being disguised by extending people instant rebates for becoming a member who can have access to the

Internet. Companies in other states have employed similar schemes to avoid restrictions and usury ceilings that make payday lending less profitable. The schemes are subterfuge for payday loans without but without the restrictions and other regulators are bringing actions across the country. The pending litigation is in the initial stages but the Members will be kept updated on these cases. **This item was for informational purposes only.**

- 2.) Community First Financial Services in Bloomington, Indiana, has filed a request for both a Temporary Restraining Order (TRO) and a request for an administrative hearing concerning the revocation of the loan license issued to this entity. The license was revoked October 17, 2003, due to failure to make refunds of customer overcharges. The office of the Attorney General advised DFI that TRO would, in all likelihood, be issued by the Marion County Court. The AG office suggested that DFI move forward with an administrative hearing. The licensee's attorney will be contacted concerning the administrative hearing. **This item was for informational purposes only.**
- 3.) Mr. Tarpey confirmed that the pawnshop known as West End Trading Company, which was discussed in detail at the August of 2003 Members meeting, had now been closed by the Sheriff's department in South Bend after liquidation of the remaining pawned items. **This item was for informational purposes only.**

**G. DIRECTORS COMMENTS:**

**1.) MainSource Bank, Greensburg, Decatur County, Indiana**

On October 9, 2002, the bank notified the Department of its intent to form a qualifying subsidiary pursuant to IC 28-13-16. The subsidiary will be known as MSB Realty, Inc. ("MSB") The bank is forming MSB to provide itself with a cost effective vehicle for raising capital in the future by selling preferred shares in MSB. The principal business objective of MSB is to invest, reinvest, hold, own and manage real estate assets, primarily residential and commercial mortgages from the bank. **The Department offers no objection to the formation of MSB, subject to the following conditions:**

- a.) **MSB obtain the Department's approval prior to the issuance of any Preferred Stock that is intended to be included as Tier 1 capital, and**
- b.) **MSB obtain the Department's approval prior to the redemption of any Preferred Stock that is considered Tier 1 capital.**

**This item was for informational purposes only.**

**2.) Irwin Union Bank and Trust Company, Columbus, Bartholomew County, Indiana**

The bank notified the Department that they closed the branch office that was known as the "Greenwood Branch" located at 1680 W. Main Street, Suite C, Greenwood, Indiana. The

branch office closed on August 22, 2003 @ 5:00 p.m. **This item was for informational purposes only.**

3.) **Star Financial Bank, Anderson, Madison County, Indiana**

The bank notified the Department that they closed the branch office that was known as the "Applewood Branch" located at 1900 Applewood Center, Anderson, Madison County, Indiana. The branch office closed on October 1, 2003, at 5:00 p.m. **This item was for informational purposes only.**

4.) **American State Bank, Lawrenceburg, Dearborn County, Indiana**

The bank notified the Department that they closed their branch office known as the "Dearborn Plaza Branch" located at the intersection of U.S. Highway 50 and State Route 48, Lawrenceburg, Dearborn County, Indiana. The branch closed on October 4, 2003 @ 5:00 p.m. **This item is for informational purposes only.**

H. **DIRECTOR'S DELEGATED ACTION:**

1.) **THE NEW WASHINGTON STATE BANK, NEW WASHINGTON, CLARK COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from **3300 Grant Line Road, Suite 190, New Albany, Floyd County, Indiana** to **2675 Charlestown Road, New Albany, Floyd County, Indiana**. The application was received on July 10, 2003. The branch is to be known as **New Albany Branch**. The bank purchased a vacant banking building from an independent third party for \$600,000. The facility is 3,900 square feet and has four drive up lanes. The price included the drive up equipment and teller stations. Furniture, fixtures, and equipment are projected at \$225,000. No relationship exists between the parties involved in this transaction. The lease at the current branch location will expire in October 2004. As of March 31, 2003, the bank's ROA was 1.62% and its Tier 1 leverage capital ratio was 8.37%. The investment in total fixed assets to total capital will increase from 26.38% to 31.66% after the establishment of the branch. The bank will continue to have seven branches after the relocation. **The Director approved this on August 7, 2003, under delegated authority.**

2.) **CENTIER BANK, WHITING, LAKE COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **702 E. Lincolnway, LaPorte, LaPorte County, inside an Al's Super Foods Store**. The application was received on July 29, 2003. The branch is to be known as **Centier Bank**. The bank is leasing the space from an independent third party for five years with a per square footage cost of \$50.00. After the initial five years, there is a provision to renew the lease for an additional five year period with a per square footage cost of \$60.00. Furniture, fixtures, and equipment costs are projected at \$60,000. Leasehold improvements are estimated at \$45,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.29%. As of March 31, 2003, the bank's ROA is 1.52% and its Tier 1 leverage capital ratio is 8.36%. The investment in total fixed assets to total capital will be 13.24% after the establishment of the branch. **This will be the**

**institution's thirty-first branch. The Director approved this on August 7, 2003, under delegated authority.**

**3.) HERITAGE COMMUNITY BANK, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has requested permission to hold real estate in excess of the ten-year limitation prescribed in IC 28-1-11-5. The addresses of the properties are 307, 309, 311, and 313 Ferry Street, Vevay, Switzerland County, Indiana. The properties were originally acquired by the Vevay Deposit Bank for expansion of its main office. Vevay Deposit Bank has since merged into Heritage Community Bank. On July 15, 2003, the board of directors of Heritage Community Bank adopted a resolution stating these properties were no longer considered necessary by the bank to retain for current use or future expansion. The bank had the properties appraised by an independent appraiser. The market value of the properties is as follows: 307 Ferry Street - \$80,000; 309 Ferry Street - \$88,000; 311 Ferry Street - \$80,000; and 313 Ferry Street - \$34,000. The bank has signed a listing agreement with a realty company that expires on November 13, 2003. The four properties have a net book value of \$22,000. President Dean Miller indicated the four properties would be transferred to other real estate owned. The bank's tier 1 leverage capital ratio as of June 30, 2003, is 9.32% and its return on assets is 0.88%. It is recommended the bank be granted an extension to continue to hold the property until August 31, 2004, to allow the bank time to sell the properties. **The Director approved the extension on August 14, 2003, under delegated authority.**

**4.) AMERIANA BANK & TRUST, NEW CASTLE, HENRY COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$600,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular third quarter dividend of approximately \$510,000 and for other holding company expenses. As of June 30, 2003, the bank's Tier I leverage capital ratio is 7.79%. Proforma Tier 1 leverage to total estimated assets is approximately 7.69% after the payment of the dividend. **The Director approved this on August 14, 2003, under delegated authority.**

**5.) FIFTH THIRD BANK, INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has requested permission to one piece of property in excess of the ten-year limitation prescribed in IC 28-1-11-5. The property was acquired on July 30, 1992. It originally consisted of 279 acres of raw ground lying on the East and West sides of the Pennyryle Parkway in Kentucky, just North of Madisonville. In July 2002, 58 acres were sold. On October 16, 2002, the bank was given permission under delegated authority to continue to hold the remaining property until October 31, 2003. In December 2002, another 27 acres were sold. The bank is in the process of surveying the remaining 194 acres into smaller tracks and conducting an auction in the fall. The property has been completely written off of the bank's books. The bank is requesting another one-year extension in order to complete the surveying of the land and proceed with the auction.

As of 6/30/03, Fifth Third Bank, Indiana had total assets of \$8,042MM, total deposits of \$4,573MM, and total equity capital of \$1,091MM. The bank's ROA as of 6/30/03 is 0.68% and Tier 1 Leverage Capital is 12.77%. Allowing the bank to continue to hold the real estate

does not appear to endanger the safety and soundness of the bank. It is recommended the bank be granted an extension to hold the real estate until October 31, 2004. **The Director approved the extension to hold real estate until October 31, 2004 on August 25, 2003, under delegated authority.**

6.) **THE CENTRAL TRUST BANK, JEFFERSON CITY, COLE COUNTY, MISSOURI**

An application for issuance of a certificate of admission was received from The Central Trust Bank, Jefferson City, Cole County, Missouri ("Central Trust"). Central Trust filed the application to enable it to transact business in the State of Indiana in accordance with the provisions of IC 28-1-22. Central Trust is a Missouri chartered institution regulated by the Missouri Division of Finance. The bank is requesting admission in the state of Indiana solely for the purpose of developing and implementing an automated hunting and fishing licensing system for the Indiana Department of Natural Resources ("DNR"). The DNR is requiring Central Trust be registered as a corporation in the state of Indiana prior to approving the licensing system. Central Trust will not pay checks, take deposits, or lend money nor have a physical office location in Indiana. CT Corporation, 36 Pennsylvania Street, Suite 700, Indianapolis, Marion County, Indiana, has been appointed as resident agent for service of legal process by The Central Trust Bank. **The Director issued a Certificate of Admission on August 25, 2003, under delegated authority.**

7.) **IRWIN UNION BANK AND TRUST COMPANY, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **107 North State Road 135, Suite 201, Greenwood, Johnson County, Indiana.** The application was received on August 14, 2003. The branch is to be known as **Irwin Union Bank and Trust Company.** The bank is leasing the space from an independent third party for five years with a per square footage cost of \$19.50 for the first three years and \$20.50 per

square foot for the fourth and fifth year. After the initial five years, there is a provision to renew the lease for an additional five-year period. Furniture, fixtures, and equipment costs are projected at \$39,000. Leasehold improvements are estimated at \$40,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.88%. As of June 30, 2003, the bank's ROA is 2.37% and its Tier 1 leverage capital ratio is 9.40%. The investment in total fixed assets to total capital will be 5.39% after the establishment of the branch. This will be the institution's twenty-fourth branch. **The Director approved this on September 4, 2003, under delegated authority.**

8.) **COMMUNITY BANK OF SOUTHERN INDIANA, NEW ALBANY, FLOYD COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be

located at **4316 Charlestown Road, New Albany, Floyd County, Indiana**. The application was received on August 25, 2003. The proposed branch is a 2,000 square foot existing office inside a retail shopping center that will be converted into a full service banking facility. The branch is to be known as **Peachtree Centre**. The bank is leasing the space from an independent third party for ten years plus an option to renew for four extensions at five years

each. The terms of the lease call for annual rental of \$79,200 for the first five years and \$87,120 for the last five years. Furniture, fixtures, and equipment costs are projected at \$76,000. Leasehold improvements are estimated at \$168,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 0.91%. As of June 30, 2003, the bank's ROA is 0.89% and its Tier 1 leverage capital ratio is 8.32%.

The investment in total fixed assets to total capital will be 24.97% after the establishment of the branch. This will be the institution's tenth branch. **The Director approved this on September 4, 2003, under delegated authority.**

9.) **FIRST AMERICAN BANK, VINCENNES, KNOX COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **2814 North 6<sup>th</sup> Street, Vincennes, Knox County, Indiana**. The application was received on May 7, 2003. The branch is to be known as **First American Bank**. The bank purchased 1.3 acres of land in March 2003 for \$600,000. The bank is proposing to construct a 2,300 square foot branch for a projected cost of \$450,000. Furniture, fixtures, and equipment are projected at \$150,000. No relationship exists between the parties involved in this transaction. As of June 30, 2003, the bank's return on average assets is 0.44% and its Tier 1 leverage capital ratio is 7.21%. The investment in total fixed assets to total capital will be approximately 22.16% after the establishment of the branch. This will be the institution's second branch. First American Bank was previously a federal stock savings bank that

converted to a state commercial bank on March 1, 2002. It is a subsidiary of German American Bancorp, Jasper, Indiana. **The Director approved this on September 4, 2003, under delegated authority.**

10.) **WELLS FARGO BANK, NATIONAL ASSOCIATION, SAN FRANCISCO, SAN FRANCISCO COUNTY, CALIFORNIA**

An application for issuance of a certificate of admission was received from Wells Fargo Bank,

National Association, San Francisco, San Francisco County, California ("Wells Fargo"). Wells Fargo filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22 and IC 28-2-17. The bank is requesting admission in anticipation of a corporate wide reorganization whereby Wells Fargo Bank Indiana, National Association, Fort Wayne, Allen County, Indiana will be merged with and into Wells Fargo. The merger is anticipated to be consummated in the first quarter of 2004. At the time of the merger, Wells Fargo will relocate its main office to Sioux Falls, Minnehaha County, South Dakota. The bank will submit Articles of Association showing the main office relocation when the transaction is consummated. Corporation Service Company, 251 East Ohio Street, Suite 500, Indianapolis, Marion County, Indiana has been appointed as resident agent for

service of legal process by Wells Fargo. **The Director issued a Certificate of Admission on September 5, 2003, under delegated authority.**

**11.) TERRE HAUTE SAVINGS BANK, TERRE HAUTE, VIGO COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at **7301 State Road 46, Terre Haute, Vigo County, Indiana**. The application was received on August 28, 2003. The branch is to be known as **Terre Haute Savings Bank**. The

proposed branch is a 2,000 square foot newly constructed branch bank. The bank has purchased a vacant lot from an independent third party for \$500,000. The estimated costs for constructing the branch is \$300,000. Furniture, fixtures, and equipment costs are projected at \$215,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 0.34%. As of June 30, 2003, the bank's ROA is 0.74% and its Tier 1 leverage capital ratio is 10.66%. The investment in total fixed assets to total capital will be 26.06% after the establishment of the branch. This will be the institution's second branch. **The Director approved this on September 24, 2003, under delegated authority.**

**12.) SALIN BANK & TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at 351 Sagamore Parkway West, West Lafayette, Tippecanoe County, Indiana. The application was received on September 2, 2003. The proposed branch is a 2,000 square foot newly constructed branch bank. The bank already owns the premises to be used. The estimated costs for constructing the branch is \$500,000. Furniture, fixtures, and equipment costs are projected at \$150,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.61%. As of June 30, 2003, the bank's ROA is 1.63% and its Tier 1 leverage capital ratio is 8.26%. The investment in total fixed assets to total capital will be 24.81% after the establishment of the branch. This will be the institution's forty-third branch. **The Director approved this on September 24, 2003, under delegated authority.**

**13.) FIFTH THIRD BANK, INDIANA, INDIANAPOLIS, MARION COUNTY, INDIANA**

The bank has applied to the Department for approval to establish five (5) branch offices. The applications were received on August 26, 2003. The branch offices are to be located at 1) 6026 Lima Road, Fort Wayne, Allen County, Indiana; 2) 1662 Commercial Blvd., Fishers, Hamilton County, Indiana; 3) 13756 North Meridian Street, Carmel, Hamilton County, Indiana; 4) 6131 Rothman Road, Fort Wayne, Allen County, Indiana; and 5) 10215 North Michigan, Carmel, Hamilton County, Indiana. The branch on North Meridian Street will be leased from an independent third party. The lease is for three years with two renewal options for three years each. Monthly rental payments are \$5,471.67. The bank owns the remaining four branches. The total estimated costs for the branches are \$7,386M. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.48%. As of June 30, 2003 its Tier 1 leverage capital ratio is 12.77%. The investment in total fixed assets to total capital will be 8.69% after the establishment of the branches. The



bank will have one hundred and thirty-four branches. **The Director approved this on September 24, 2003, under delegated authority.**

**14.) STAR FINANCIAL BANK, FORT WAYNE, ALLEN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at 550 Harrison Park, Indianapolis, Marion County, Indiana. The application was received on July 7, 2003. The branch is to be known as the "Harrison Centre Branch". The proposed branch will consist of a 2,790 square foot newly constructed building. The bank will lease the

branch from an independent third party. The lease is for fifteen (15) years with two (2) successive renewal options of five (5) years each. Maximum monthly lease payments are \$9,625. The bank has the right of first offer to purchase the property should the landlord decide to sell. Furniture, fixtures, and equipment are projected at \$100M. The bank's three-year average ROA is 0.94%. As of June 30, 2003, the bank's ROA is 1.10% and its Tier 1 leverage capital ratio is 8.53%. The investment in total fixed assets to total capital will be 20.50% after the establishment of the branch. This will be the institution's forty-fourth branch. **The Director approved this on September 30, 2003, under delegated authority.**

**15.) THE FARMERS BANK, FRANKFORT, CLINTON COUNTY, INDIANA**

The bank has requested permission to hold two adjoining pieces of property for future expansion as prescribed in IC 28-1-11-5. The properties are located at 55 East Clinton Street, Frankfort, Indiana and 57 East Clinton Street, Frankfort, Indiana. The properties were purchased on February 26, 1991, and February 19, 1999, respectively, with the intention of expanding the current main office. At the bank's board meeting on July 14, 2003, the board approved a formal definitive plan and timetable for the use of these properties with demolition to commence no later than March 2005, and construction of new facilities to be completed by February 2006. Upon request by the DFI, the bank provided current appraisals for each property. The property at 55 East Clinton is currently shown on the bank's books for \$50M consisting of land for \$25M and building for \$25M. The property at 57 East Clinton is currently shown on the bank's books for \$80M consisting of land for \$76M and building for \$4M.

As of 6/30/2003, The Farmers Bank had total assets of \$463 million, total deposits of \$357 million, and total equity capital of \$38 million. As of June 30, 2003, the bank's Tier 1 leverage capital ratio is 7.98%. Allowing the bank to continue to hold the real estate does not

appear to endanger the safety and soundness of the bank. **The Director under delegated authority approved the extension until October 31, 2004 on September 30, 2003.**

**16.) R. MICHAEL MINER, INCORPORATOR, INDIANAPOLIS, MARION COUNTY, INDIANA**

An application has been filed for permission to establish an interim bank to be known as ICM Bank & Trust Company. The interim bank will be located at 420 Main Street, Evansville, Vanderburgh County, Indiana. The interim bank will never be operational and is

being formed to facilitate the pending merger of ICM Bank & Trust Company with and into Lake City Bank, Warsaw, Kosciusko County, Indiana. ICM Bank & Trust Company is a wholly owned subsidiary of Old National Trust Company, Evansville, Indiana, a national chartered trust company. Old National Trust Company is forming ICM Bank & Trust Company for the purpose of facilitating the transfer of certain Old National Trust Company's assets and liabilities to Lake City Bank pursuant to the Agreement and Plan of Merger dated August 29, 2003. An application for the merger of ICM Bank & Trust Company with and into Lake City Bank has been submitted to the Department for approval. If the necessary regulatory authorities as outlined in the application do not obtain approval for the merger of ICM Bank & Trust Company and Lake City Bank, the incorporator of ICM Bank & Trust Company will

take the steps necessary to dissolve ICM Bank & Trust Company. **The Director approved this on September 30, 2003, under delegated authority.**

**17. FIRST COMMUNITY BANK & TRUST, BARGERSVILLE, JOHNSON COUNTY, INDIANA**

The bank has entered into a purchase and assumption agreement dated August 14, 2003, with MainSource Bank, Greensburg, Indiana. The agreement allows First Community Bank & Trust to purchase certain assets and assume certain liabilities associated with MainSource Bank's branch located at 1121 east Stop 11 Road, Indianapolis, Marion County, Indiana. The bank will purchase \$4,000M in net loans, \$10,696M in cash on hand and will assume approximately \$14,000M in deposits. The deposit premium paid will be 4.31%, or approximately \$604M.

The bank has applied to the Department for approval to establish a branch banking office to be located at 1121 East Stop 11 Road, Indianapolis, Marion County, Indiana. The application was received on August 19, 2003. The proposed branch is currently owned by affiliate MainSource Bank. After reviewing the Purchase and Assumption Agreement the terms and conditions appear reasonable and therefore, the transaction is considered to have been negotiated at arms-length. The bank will assume the lease from an independent third party. The terms of the lease call for an annual rental of \$26,250 for five years with three five-year options. The bank's three-year average ROA is 0.47%. Pro forma tier 1 leverage capital at consummation of the transaction will be 7.48%. The investment in total fixed assets to total capital will increase from 24.71% as of June 30, 2003, to 27.91%. This institution

will have a total of ten branches after the acquisition of this branch. **The Director approved this on October 10, 2003, under delegated authority.**

**18.) MONROE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from 3300 West 16<sup>th</sup> Street, Bedford, Lawrence County, Indiana to 2119 West 16<sup>th</sup> Street, Bedford, Lawrence County, Indiana. The application was received on September 23, 2003. The branch is to be known as the Bedford Branch. The branch is being relocated due to the lease at the present location not being renewed. The proposed location will consist of

approximately 2,500 square feet in a small office complex leased from an independent third party. The initial term of the lease is for five years with two additional five-year renewal options. Monthly lease payments for the first year will be \$2,969. Leasehold improvements are projected at \$109,000 and furniture, fixture, and equipment at \$50,000. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.24%. As of June 30, 2003, the bank's Tier 1 leverage capital ratio was 7.82%. The investment in total fixed assets to total capital will increase slightly to 24.61% after the establishment of the branch. The bank will continue to have fifteen branches after the relocation. **The Director approved this on October 10, 2003, under delegated authority.**

**19.) THE FOUNTAIN TRUST COMPANY, COVINGTON, FOUNTAIN COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at 1250 North Lincoln Road, Rockville, Parke County, Indiana. The application was received on September 19, 2003. The branch is to be known as The Fountain Trust Company. The proposed branch is a 720 square foot office inside an IGA Grocery Store. The bank is leasing the space from an independent third party with an annual rental of \$14,438.88. The terms of the lease call for monthly rental of \$1,203.24 for five years with two five-year options. It is estimated that there will be \$2,000 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$35,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.18%. As of June 30, 2003, the bank's ROA is 1.06% and its Tier 1 leverage capital ratio is 18.34%. The investment in total fixed assets to total capital will be 7.10% after the establishment of the branch. This will be the institution's eighth branch. **The Director approved this on October 10, 2003, under delegated authority.**

**20.) BLOOMFIELD STATE BANK, BLOOMFIELD, GREENE COUNTY, INDIANA**

The bank has applied to the Department for approval to relocate a branch office from 628 West Main Street, Mitchell, Lawrence County, Indiana to 1309 West Main Street, Mitchell, Lawrence County, Indiana. The application was received on September 4, 2003. The branch is to be known as the Mitchell Banking Center. The bank will lease 7,500 square feet from an independent third party. The lease is for five years with three additional five-year renewal options. Monthly lease payments for the initial lease term are \$2,708. Leasehold improvements are projected at \$400,000 and furniture, fixtures, and equipment at \$200,000. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 0.75%. As of June 30, 2003, the bank's Tier 1 leverage capital ratio was 8.91%. The investment in total fixed assets to total capital will increase from branches 17.38% to 19.36% after the establishment of the branch. The bank will continue to have ten after the relocation. **The Director approved this on October 10, 2003, under delegated authority.**

**21.) LAKE CITY BANK, WARSAW, KOSCIUSKO COUNTY, INDIANA**

The bank has applied to the Department for approval of a bank merger with ICM Bank & Trust Company ("ICM"), Evansville, Vanderburgh County, Indiana. ICM is a newly chartered Indiana interim bank and trust company that will never be operational and therefore will never accept deposits or make loans. ICM is a wholly owned subsidiary of American National Trust and Investment Management Company, which does business under the name Old National Trust Company ("ONTC"), Evansville, Indiana. The sole purpose of the formation of ICM and merger transaction is to facilitate the transfer of certain trust accounts of ONTC to applicant pursuant to the Agreement and Plan of Merger dated August 29, 2003.

Pursuant to the First Amendment to the Agreement and Plan of Merger ("Amendment"), Lake City Bank will survive the merger. The Articles of Incorporation and By-Laws of Lake City Bank will remain in effect. The issued and outstanding shares of ICM will be converted

into the right to receive a single cash payment in the aggregate amount of \$600,000. The officers and directors of the surviving corporation will be the individuals serving as officers and directors of Lake City bank as of the effective time of the merger. The surviving corporation will also assume the lease for ONTC's Fort Wayne office (See #2 below). The board of directors of Lake City Bank approved the Agreement and Amendment on August 12, 2003, and the board of directors of ONTC approved the Agreement and Amendment on July 29, 2003. As of June 30, 2003, the bank had total assets of \$1.2 billion, total trust assets of \$613 million, ROA of 1.30% and a Tier 1 leverage capital ratio of 8.04%. Approximately 273 trust accounts with approximately \$66.5 million of trust assets will be transferred to Lake City Bank pursuant to the merger. The Department approved the formation of ICM under delegated authority on September 30, 2003. According to Case Manager Betty Valdez, the Federal Deposit Insurance Corporation, Chicago Office, is expected to approve this application November 3, 2003. **The Director approved this on October 28, 2003, under delegated authority.**

**22.) LAKE CITY BANK, WARSAW, KOSCIUSKO COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a full service branch office to be located at Standard Federal Plaza, 200 East Main Street, Suite 600, Fort Wayne, Allen County, Indiana. The application was received on September 23, 2003. The branch is to be known as the Fort Wayne Downtown Branch. Applicant is assuming the lease for this existing banking site from Old National Trust Company, Evansville, Indiana, through a merger agreement dated August 29, 2003. Applicant expects that, at least initially, the services offered at the branch will consist primarily of trust services, securities brokerage service and commercial bank services. The proposed branch will consist of a 4,893 square foot existing office in downtown Fort Wayne. The bank will lease the branch from an independent third party. The term of the lease ends May 13, 2008. The rental payments under the lease are currently \$6,524.00 per month, with annual increases during the lease term. It is estimated that there will be \$1M worth of leasehold improvements. Furniture, fixtures, and equipment are projected at \$28M. The bank's three-year average ROA is 1.08%. As of June 30, 2003, the bank's ROA is 1.30% and its Tier 1 leverage capital ratio is

8.04%. The investment in total fixed assets to total capital will be 24.32% after the establishment of the branch. This will be the institution's forty-third branch. **The Director approved this on October 28, 2003, under delegated authority.**

**23.) AMERIANA BANK & TRUST, NEW CASTLE, HENRY COUNTY, INDIANA**

The bank has applied to the Department for approval to pay dividends in excess of what is permitted by IC 28-13-4-3. The bank's dividend request asks approval to pay a cash dividend of \$750,000 to its holding company, Ameriana Bancorp, New Castle, Indiana. The dividend will be upstreamed to the parent holding company for its regular third quarter dividend of approximately \$510,000 and for other holding company expenses. As of September 30, 2003, the bank's Tier I leverage capital ratio is 9.52%. Proforma Tier 1 leverage to total estimated assets is approximately 9.35% after the payment of the dividend. **The Director approved this on October 28, 2003, under delegated authority.**

**24.) FREEDOM BANK, HUNTINGBURG, DUBOIS COUNTY, INDIANA**

The bank has applied to the Department pursuant to IC 28-13-3-3 for approval to buy back up to \$500,000.00 or approximately 25,000 shares of its outstanding common stock. All stock purchased would be retained as authorized but unissued shares. The Board of Directors

of the bank adopted a resolution on August 26, 2003 to acquire the common stock for a price of 150% of the per share book value at the time the offer is made. Presently, Freedom Bank has approximately 495 shareholders. The bank is requesting to buy back the stock in order to avoid the time and expense of Securities and Exchange 10-Q filings that are required when the number shareholders reach 500. As of June 30, 2003, the bank's Tier 1 leverage capital ratio was 8.49%. On a pro forma basis as of September 30, 2003, if the entire \$500,000 were used, the Tier 1 leverage capital ratio would be approximately 8.19%. The bank's ROA as of June 30, 2003 was 1.08%. The bank received a satisfactory CAMELS rating as a result of a joint examination conducted by the FDIC and DFI as of September 30, 2002. Freedom Bank was chartered as a state commercial bank in 1999 and opened its doors on November 22, 1999. **The Director approved this on November 5, 2003, under delegated authority.**

**25.) HOMEFEDERAL BANK, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

The bank has applied to the Department for approval to establish a branch office to be located at 8740 South Emerson Avenue, Indianapolis, Marion County, Indiana. The application was received on September 11, 2003. The branch is to be known as HomeFederal Bank. The branch consists of a newly constructed building located in an outlot of a shopping center.

Cost to construct the building was \$1,010,000. The land cost \$650,000. Furniture, fixtures, and equipment costs are \$200,000. The bank's three-year average ROA is 1.23%. As of June 30, 2003, the bank's ROA is 1.26% and its Tier 1 leverage capital ratio is 9.96%. The investment in total fixed assets to total capital will be 13.28% after the establishment of the branch. This will be the institution's nineteenth branch. **The Director approved this on November 5, 2003, under delegated authority.**

**26.) FIFTH THIRD BANK, KENTUCKY, INC., LOUISVILLE, JEFFERSON COUNTY, KENTUCKY**

An application for issuance of a certificate of admission was received from Fifth Third Bank, Kentucky, Inc., Louisville, Jefferson County, Kentucky ("Fifth Third"). Fifth Third filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. The bank is anticipating opening a branch in New Albany, Indiana. It currently has branches in Indiana from an interstate merger transaction that consummated on April 24, 1998. Fifth Third is a state-chartered Kentucky commercial bank. Corporation Service Company, 251 East Ohio Street, Indianapolis, Marion County, Indiana has been appointed as resident agent for service of legal process by Fifth Third. **The Director issued a Certificate of Admission on November 5, 2003, under delegated authority.**

**27.) TEACHERS CREDIT UNION, SOUTH BEND, SAINT JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would

place the following organizations into the field of membership of the credit union:

Lake Central School Corporation – Saint John – 1,100 members (common bond of occupation as defined by 28-7-1-10).

Macks Speed – South Whitley - 2 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on September 19, 2003, under delegated authority.**

**28.) FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Wishard Health Services – Indianapolis – 3,700 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 9, 2003, under delegated authority.**

**29.) FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit

union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Kruz, Inc. – Knox – 18 members (common bond of occupation as defined by 28-7-1-10).

Time to Travel – Carmel – 3 members (common bond of occupation as defined by 28-7-1-

10).

Norm's Paint Supply – Indianapolis – 7 members (common bond of occupation as defined by 28-7-1-10).

Zender Properties – Indianapolis – 27 members (common bond of occupation as defined by 28-7-1-10).

Autobase – Fishers – 92 members (common bond of occupation as defined by 28-7-1-10).

Coverdale Mortgage Corporation – Westfield – 3 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 24, 2003, under delegated authority.**

**30.) DOUBLE ELEVEN CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Ray Skillman Ford, Inc. – Greenwood – 110 members (common bond of occupation as defined by 28-7-1-10).

Rightway Automotive, Inc. – Indianapolis – 5 members (common bond of occupation as defined by 28-7-1-10).

Quality Service Company – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10).

EastGate Chrysler/Jeep – Indianapolis – 84 members (common bond of occupation as defined by 28-7-1-10).

WestGate Chrysler/Jeep/Dodge – Plainfield – 65 members (common bond of occupation as defined by 28-7-1-10).

Mays Chemical Company – Indianapolis – 130 members (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 24, 2003, under delegated authority.**

**31.) TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The credit union has filed a request for approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union.

SOMA Lodging, Inc. – Richmond – 18 members (common bond of occupation as defined by 28-7-1-10).

Maruti's Corporation – LaPorte – 1 member (common bond of occupation as defined by 28-7-1-10). **The Director approved this on October 24, 2003, under delegated authority.**

**CERTIFICATION:**

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

**There being no further business to come before the Members, a motion to adjourn the meeting was made by Mr. Baer and seconded by Mr. Zaleski. The motion was unanimously approved.**

**APPROVED:**

**ATTEST:**

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**David A. Bochnowski, Chairman**

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**J. Philip Goddard, Secretary**